

To the Members of the California State Assembly:

I am returning Assembly Bill X8 2 without my signature as it does not actually implement spending reductions and make progress to close our budget gap.

Delaying implementation of the spending reductions I proposed in January will require the Legislature to make even more difficult choices later this year. As the Legislative Analyst has said, "Many of the major expenditure reductions in this budget will require significant lead time for departments to implement. Accordingly, the Legislature and the Governor will need to agree to a framework to solve much of the budget problem by the end of March." The Legislative Analyst goes on to say that "The Governor's trigger cuts... are painful and in some cases draconian. Nevertheless, there is no way the Legislature can avoid making some similarly difficult decisions this year."

In addition, this bill contains certain savings assumptions that are unrealistic. When I proposed the deportation of undocumented felons last year, I said I would review each case individually and would not commute the sentence of any undocumented felon that had committed serious or violent crime. Based on this review, my January budget includes only \$19 million in estimated savings from the commutation and deportation of a select number of undocumented felons, not the \$182 million assumed in this legislation. As such, the savings level assumed by this bill will not be achieved.

The longer the Legislature delays action on real reductions, the more difficult the choices become. I encourage the Legislature to return to work in the Extraordinary Session and act on actual spending reductions that will address California's fiscal emergency.

Sincerely,

Arnold Schwarzenegger